

Factsheet 30 June 2021

NIKKO AM WHOLESALE MULTI STRATEGY FUND

The factsheet covers the MMAF ordinary share class and not the A & C share class units which are side-pocketed.

Performance

	1 month	3 months	1 year	3 years (p.a)	5 years (p.a)	10 years (p.a)
Wholesale ¹	0.34%	0.95%	13.66%	5.32%	5.30%	6.29%
Benchmark ²	0.27%	0.83%	3.30%	4.15%	4.42%	4.98%

1. Returns are before tax and before the deduction of fees

2. Current Benchmark: Bloomberg NZBond Bank Bill Index plus 3.0% per annum. No tax or fees

Applications and Redemption Schedule

Application and redemption requests can be made on a daily basis and they will be processed within 12 working days.

Investment Manager

The Wholesale Multi-Strategy Fund invests into the JP Morgan Alternative Asset Management Hedge Fund Solutions JP Morgan Multi Manager Alternatives Fund (MMAF).

JPMAAM HFS is led by CIO Paul Zummo who co-founded the business in 1994 and is still head of the Portfolio Management Group and chairs the JPMAAM HSF Investment Committee. Paul has over 25 years industry experience and is a member of the CFA Institute.

Overview

The fund provides access to a multi-manager, multi-strategy investment fund designed to generate returns over the long term.

The portfolio has a diversified risk profile with low to medium volatility.

Objective

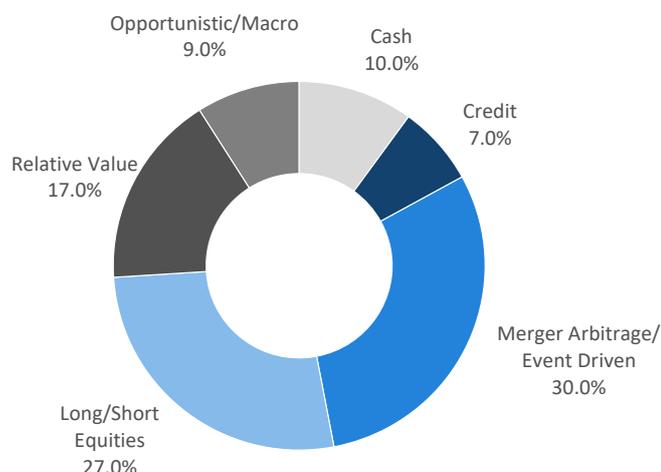
The fund aims to outperform the benchmark return before fees, expenses and taxes over a rolling three-year period.

Five Year Cumulative Performance, \$10,000 invested^{1,2}

Performance is for JPMAAM MSF II strategy up to 30.06.20 and for MMAF from 01.07.20



Strategy Allocations (by value of fund)



Fund Commentary (source: JPMAAM for underlying USD share class)

The portfolio outperformed its benchmark over the month of June, driven by our Cross Sector and Corporate Selection strategies whilst our Securitized Selection strategy detracted from excess returns.

Our Cross Sector strategy was the largest contributor, owing to our credit-rate paired approach. Our credit-rate barbell performed well over the month on the back of the rally in rates. In June, rates markets were driven by the hawkish outcome of the Fed FOMC meeting. A combination of the hawkish dot plot and upbeat tone led to a sharp repricing of Fed policy, with front-end US Treasury yields rising, while long-end yields rallied due to a lower market assessment of the neutral rate. Our sector overweight in investment grade (IG) corporates also contributed positively as IG spreads remained resilient in June. Spreads on the Bloomberg Barclays Global Aggregate Corporate Index tightened 3bps to 86bps. We remain overweight the sector given the macro backdrop, relative value opportunities, and supportive technicals.

Within our Corporate Selection strategy, excess returns were driven by our down-in-credit-quality bias and our credit curve positioning. We continue to position our exposure to steeper portions of the credit curve and as such, we are overweight intermediate maturity bonds versus longer-dated corporates. We also believe that there will be more rising stars than fallen angels – and therefore retain our down-in-quality bias.

Our Securitized Selection strategy was the largest detractor over the month, driven by our overweight Ginnie Mae MBS versus Fannie Mae MBS positioning. Ginnie Mae MBS have recently underperformed due to faster than expected prepayment speeds.

Performance Contribution by Strategy

Strategy	No. of funds	Cal YTD
Relative Value	1	1.88%
Long / Short Equities	5	-0.16%
Opportunistic / Macro	1	0.27%
Credit	2	0.43%
Event Driven	4	1.77%

Information shown in the table above is for the month prior to the date of this fact sheet

Key Fund Facts

Distributions Generally does not distribute	Estimated annual fund charges Wholesale: None
Buy / Sell spread: 0.00% / 0.00%	Management fee to JPMAAM 2.20% p.a. includes underlying JPMAAM fund expenses and underlying manager fees.
Strategy Launch: June 2008	
Strategy size: \$88m	
Hedging JPMAAM hedges all currency exposure back to NZ dollars.	

Compliance

The Fund complied with its investment mandate and trust deed during the quarter.

Contact Us

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All information and data is based on the most recently available, chart data is typically based on one month prior to the date shown at the top of this fund summary, performance by strategy and commentary is based on the current month using month end estimates. Index comparisons within the commentary are based on the relevant Index as determined by JP Morgan Alternative Assets Management Inc. they are not the Benchmark of the Nikko AM Multi-Strategy Fund which is determined on page 1. This document is issued by Nikko Asset Management New Zealand Limited (Company No. 606057, FSP No. FSP22562), the investment manager of the Nikko AM NZ Investment Scheme, the Nikko AM NZ Wholesale Investment Scheme and the Nikko AM KiwiSaver Scheme. This information is for the use of researchers, financial advisers and wholesale clients. This material has been prepared without taking into account a potential investor’s objectives, financial situation or needs and is not intended to constitute personal financial advice, and must not be relied on as such. Recipients of this document, who are not wholesale investors (in accordance with Schedule 1, Clause 3 Financial Markets Conduct Act 2013), or their duly appointed agent, should consult a Financial Advice Provider and the relevant Product Disclosure Statement. Past performance is not a guarantee of future performance. While we believe the information contained in this presentation is correct at the date of presentation, no warranty of accuracy or reliability is given and no responsibility is accepted for errors or omissions including where provided by a third party. For full details on the fund, please refer to our Product Disclosure Statement on nikkoam.co.nz.